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DONATED BY *Wm. R. Leisner & Co.*  
REPORT

OF THE

BOARD OF DIRECTORS

OF THE

Lehigh Valley Rail Road Co.

TO THE

STOCKHOLDERS,

AT THE

ANNUAL MEETING,

January 8th, 1866.

PHILADELPHIA:

H. G. LEISNRING'S STEAM PRINTING HOUSE.

Jayne's Building, Nos. 237 and 239 Dock Street.

1866.



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## OFFICERS.

President,

WM. W. LONGSTRETH.

Directors :

ASA PACKER,  
ROBERT F. STOCKTON,  
JOHN TAYLOR JOHNSTON,  
WILLIAM H. GATZMER.  
J. GILLINGHAM FELL,  
ELISHA A. PACKER,  
ASHBEL WELCH,  
JOHN N. HUTCHINSON,  
EDWARD H. TROTTER.  
DAVID THOMAS,  
JOSIAH O. STEARNS,  
JOSEPH H. DULLES.

Secretary and Treasurer,

L. CHAMBERLAIN.

Superintendent and Engineer,

ROBERT H. SAYRE.

# ANNUAL REPORT.

Since the last Annual Report of the affairs of the Company, the business on the road has been, in the main, satisfactory—except that the coal trade for the months of May and June last fell off very considerably, the falling off on coal freights alone for those months amounted to upwards of \$250,000, compared with the corresponding months of the previous year;—notwithstanding which our coal tonnage for the year exceeded that of the previous year 106,857 tons.

*Financial Statement for the year ending Nov. 30, 1865.*

Gross receipts, transportation of coal,	\$2,513,701 08
“ “ lumber, iron, m'dse, &c.,	411,452 65
“ passengers,	304,384 62
“ rents, &c.,	8,798 71
	<hr/>
	\$3,238,337 06
Local expenses, transportation of coal,	\$1,032,910 74
“ “ m'dse,	176,894 96
“ “ pass'gers,	149,732 35
General expenses,	25,237 20
Farm account,	1,683 13
Interest on bonds, &c.,	95,572 57
U. S. and State tax on dividends,	136,125 86
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	1,618,156 81
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	\$1,620,180 25
Out of which dividends in cash of 10 per cent. per annum, and an extra dividend in stock of 10 per cent. was declared,	1,326,355 00
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	\$293,825 25

*Expended in 1865.*

On construction, . . . . .	\$336,864 77
“ new cars, . . . . .	79,079 54
“ “ locomotives, . . . . .	191,398 34
“ real estate, . . . . .	5,624 00
“ Penn Haven and White Haven line, . . . . .	7,062 36
“ White Haven extension, . . . . .	2,406 10
Paid on Lehigh and Mahanoy R. R. stock, . . . . .	117,840 00
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	\$740,275 11

The aggregate receipts for the year, exceeding those of the preceding year, \$828,698 21.

The expenses of conducting the business have also considerably increased.

The prices of rolling stock also advanced very heavily; locomotives at one period reaching the enormous price of \$34,500 each.

Notwithstanding which, by a moderate increase in our charges on freight, we have been enabled to keep the cost of transportation within such limits, as to leave a fair profit to the Stockholders, and to maintain our road and rolling stock in excellent order and efficiency.

The rolling stock of the Company consists of sixty-two locomotive engines and 5,682 cars. Seven locomotives have been added during the year, and eight others have been purchased, and are expected to be on hand in a short time.

Notwithstanding the repairs of cars and engines have been thoroughly kept up, it has been deemed judicious to charge off a large sum for the inevitable deterioration by wear and tear; leaving charged against the rolling stock account a sum not exceeding the cash value of the engines and cars.

After making these deductions, the profit and loss account amounts to a sum sufficient to justify the usual quarterly dividends of two and a half per cent., and a stock dividend of ten per cent., out of the profits of the current and preceding year; still leaving a sufficient balance to provide for any probable contingencies.

At the close of the fiscal year, which terminated on the 30th of November last, the capital of the Company remained the same as it was after the merger of the Beaver Meadow, and Penn Haven and White Haven Railroads, in the summer of 1864. Hence all the additions to the rolling stock since that time, and the large improvements and additions to the roadway, bridges, shops and depots, have all been paid for out of the earnings.

In addition to the outlets for coal and other freight, heretofore existing between the terminus of our road and New York, the Morris and Essex Railroad has recently been opened, connecting with us at Phillipsburg and reaching to Hoboken, opposite New York, which, it is hoped, will give increased facility to our trade in that direction.

In view of our inability to make a satisfactory arrangement with the Lehigh Coal and Navigation Company, for the transit of coal over their road from the Wilkesbarre region to our road at White Haven, it was deemed essential to the interests of that region, as well as to our own, that the coal from the Wyoming should have easy access to market by the Valley of the Lehigh. After mature consideration, and in accordance with their original design, the Board deemed it advisable to extend our White Haven road to the great Anthracite coal field of Susquehanna. To enable the Company to accomplish that important object, it was concluded to increase the capital stock to an amount equal to that undertaking. It was accordingly resolved that the Stockholders should be allowed to subscribe at par for twenty per cent. additional to the stock held respectively by them, and to pay for the same in regular monthly instalments to meet the estimates of the contractors.

Circulars were accordingly issued to the Stockholders, advising them of their rights under the resolution aforesaid, and there has been already a response so general as to warrant the expectation that nearly the whole amount authorized will be subscribed for within the time fixed—to wit, the 15th of January, instant—and thus the capital stock, after the 15th October next, will be increased about 26,000 shares, and thus add some \$1,300,000 to the capital, which is nearly the estimated amount of the cost of the work. After the main line is completed, branches to coal mines will no doubt be required, which will add somewhat to the cost, but the Board feels satisfied that all can be accomplished with the resources of the Company, without further increase of capital on that account.

The Lehigh and Mahanoy Railroad Company, whose southeastern terminus connects with our road thirteen miles above Mauch Chunk, is extending their road westward into the great Mahanoy coal field, sending out branches to the various collieries on their line, and will very soon connect the main line, 40 miles long, with the road already built between Mount Carmel and Sunbury, which will then form a part of the shortest and best railroad route from Lake Erie to New York—the Lehigh and Mahanoy forming 40, and the Lehigh Valley 59 miles of that route. Our interest in the Lehigh and Mahanoy Company is large, owning, as this Company does, 6,800 shares of its capital stock,



worth at par \$340,000, on which regular dividends of six per cent. per annum are paid, with a fair prospect of earning much larger dividends; the want of sufficient rolling stock has rendered that Company unable to carry nearly all the coal constantly offering for transportation. The Directors of that Company are making provision to do a much larger business the coming season than they have heretofore been able to accommodate.

The Capital Stock of the Lehigh Valley Rail Road Company, now issued, consists of

130,220 shares common stock,	}	. . . . .	\$6,634,650
2,473 " preferred stock,			
To be issued on the 17th of January, as a stock dividend,			644,750

Capital stock,	- . . . .	\$7,278,400
Bonded debt,	. . . . .	1,477,000

By order of the Board,

WM. W. LONGSTRETH,

*President.*

The Report of our Engineer and Superintendent is herewith appended.



OFFICE OF THE SUPERINTENDENT AND ENGINEER, L. V. R. R.,  
BETHLEHEM, November 30th, 1865.

WM. W. LONGSTRETH, Esq.,

*President L. V. R. R. Co.*

DEAR SIR:—The following report of the business of the Lehigh Valley Railroad, for the fiscal year, ending November 30th, 1865, is respectfully submitted :

The total amount of Coal transported was 1,402,277 tons, and was distributed as follows :

	1864.	1865.
Delivered on the Line of the Road, . . . .	453,028	434,280
Do. to East Pennsylvania Railroad, . . . .	9,341	8,845
Do. North Pennsylvania Railroad, . . . .	123,475	129,695
Do. Delaware Canal, . . . .	19,302	
Do. Morris Canal, . . . .	44,600	73,965
Do. Belvidere Delaware Railroad, . . . .	165,699	218,611
Do. Central Railroad of N. J., . . . .	479,974	536,383
Do. Morris and Essex Railroad, . . . .		498
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	1,295,419	1,402,277

Equal to 1,199,788 tons transported from Mauch Chunk to Easton, or 55,190,262 tons transported one mile.

The Coal was derived from the following sources :

From Hazleton Region, . . . .	672,448
Do. Beaver Meadow Region, . . . .	364,013
Do. Mahanoy Region, . . . .	200,437
Do. Wyoming Region, . . . .	164,536
Do. Miscellaneous, . . . .	843
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	1,402,277

In addition to the above 262,838 tons passed over the Beaver Meadow Branch to the Canal, and 87,233 tons were transported over the road from White Haven to the Lehigh Coal and Navigation Company's road at Penn Haven.

During the same period, there was transported 499,696 passengers, equal to 8,347,935 carried one mile.

Freight, other than Coal, amounts to 537,280 tons, showing a decrease of 37,952 tons, made up principally of iron, iron ore and limestone ; this was due to the partial suspension of the iron business in the early summer.

Compared with last year, the receipts from Coal show an increase of \$615,582 73, or 32.4 per cent., an increase from passengers of \$90,459 16, or 42.2 per cent., from freight, an increase of \$127,087 13, or 44.6 per cent.

The mileage of trains and earnings, per mile run, was as follows :

	1865.		1864.	
	MILES RUN.	EARNINGS.	MILES RUN.	EARNINGS.
Coal and Freight Trains, . . . . .	693,242	\$4 22	452,441	\$4 82 $\frac{3}{10}$
Passenger Trains, . . . . .	147,151	2 68 $\frac{5}{10}$	115,916	1 84 $\frac{5}{10}$
Drilling and Construction, . . . . .	86,946		77,975	
Total miles, . . . . .	927,339	\$3 48 $\frac{2}{10}$	646,332	\$3 70 $\frac{7}{10}$

Included in the expenses, as above stated, are the following items :

Railroad Iron, Cross Ties, Chains, <sup>R</sup> Spikes, &c., . . . . .	\$42,824 59
Labor on Track, Watchmen, &c., . . . . .	238,376 17
Repairs and Renewals of Bridges and Water Tanks, . . . . .	12,337 35
Telegraph, . . . . .	6,419 88

There was charged to construction the following :

New Tracks and Depot Grounds at Easton and Mauch Chunk, . . . . .	\$122,955 97
Railroad Iron, Cross Ties, Chains and Spikes, . . . . .	17,585 88
Shops at South Easton, Packerton and White Haven, . . . . .	74,727 30
Extension of Delaware Bridge, . . . . .	92,187 56
Dwelling Houses, Offices and Station Houses, . . . . .	14,727 92
Water Tanks and Turn Tables, . . . . .	10,088 06
Covering of Bridges, Culvert at Packerton, &c., . . . . .	4,592 08
Total, . . . . .	\$336,864 77

The second track between Easton and Mauch Chunk was completed early in the year. There is now in use 64 6 miles of double track, and 23.01 miles of single track ; in addition to which there is 2.21 miles of double track laid, but used as sidings, and 37.03 miles of sidings ; 10.10 miles of the latter have been added during the year ; there is, also, over two miles of grading completed ready for the track.

There was used in repairs, 41,334 cross ties, 12,235 iron rails, 702 steel rails, 3,435 chairs, and 420 kegs of spikes.

There was used in construction, 12,687 cross ties, 3,547 iron rails, 695 chairs, and 228 kegs of spikes.

The track has been kept in excellent condition, and will, I think, compare favorably with the best in the country. No interruption to business has occurred from any defect in it. One of the trestle works on the White Haven Division has been replaced by an embankment ;

another one is now being filled up, and the remaining one, across the mouth of Hickory Run, will have to be replaced by a bridge and embankment within the next two years.

The work of enlarging the Delaware Bridge has been pushed forward as rapidly as circumstances would permit; all the masonry is done, except the topping out of one pier, which will be done as soon as spring opens. Two spans of the superstructure, across the channel of the river, are up, and a third one in the course of erection. The span across the Delaware Canal will be finished before the opening of navigation in the spring. The timber and iron for the remaining three spans has been procured, and I anticipate the completion of the entire work during the ensuing summer. The span of the Iron Bridge at Mauch Chunk, which failed last year, has been re-erected, and that, as well as the other three spans of the structure, have been materially strengthened. All the bridges on the road are in good condition.

The rock cut at the west end of the Delaware Bridge is being widened. The limited amount of ground upon which to provide tracks sufficient for our business at Easton, is a very serious inconvenience that can be overcome only by a large expenditure in cutting away the rock.

At Glendon, Bethlehem and Allentown, additional side tracks have been put in to accommodate the increasing business. At Packerton, several miles of track have been laid for stand room for loaded and empty cars; additional tracks for the same purpose have also been put down at Penn Haven Junction, Black Creek Junction and White Haven.

An iron turn-table has been put in at Packerton, and also at White Haven, and at Audenried a Y has been laid for turning the engines; and five new water tanks have been erected on various parts of the road.

Foundations have been put in for new freight and passenger buildings at Easton. The offices at Bethlehem completed. A brick freight and passenger house is in course of erection at Lehigh Gap. A heavy stone wall has been erected around our depot lot at Mauch Chunk, and the ground prepared for the erection of a new freight and passenger house. A frame station house has been built at Jeansville. Additions made to the South Easton shops, and the engine house and shops at Packerton completed, except the blacksmith shop, which is a temporary frame building, to be replaced hereafter by one of stone. At White Haven a frame car and smith shop has been built.

Nothing has yet been done at Weatherly toward the erection of

the engine house and shops, spoken of in my last report; they are much needed, and I hope to get them up during the next year. The shops, now in use, for the repairs of locomotives, are properly located for the business of the road, and will answer all purposes for a few years; but they cannot, from the nature of the ground, be much enlarged. The business of the road is certain to be vastly augmented in the future, and it is a matter for the serious consideration of your Managers, whether ample ground should not be secured at some convenient point where commodious shops can be erected for the extensive repairs of our machinery, using the present shops for ordinary and minor repairs. In view of the large profits paid locomotive builders, and the uncertainty there is of getting first class materials and workmanship from them, I would recommend, that in the event of my suggestion, in regard to the shops, being carried out, that provision be made for the building of the locomotives necessary for the road.

The steel rails are wearing well and give entire satisfaction; none have broken, and but two rails out of over  $2\frac{1}{2}$  miles of track show any defect, and this so slight as not to create a doubt of their great superiority over iron. Over 9,000 feet of track has been laid with them this year, and there is now 13,343 feet of steel track; this may be increased with profit to the Company as rapidly as their finances will permit. A large establishment is about being erected at Harrisburg for their manufacture, and several of our most intelligent rolling mill managers are now investigating the subject, with a view of preparing for the demand probable to arise for the rails, ties, &c.

The steel tire have not proven quite so satisfactory as the rails, two have broken; one after running 36,000 miles; the other had run but a short time. The engine, "Easton," has run 48,000 miles, and her tires show but a trifle over one-eighth of an inch wear. My confidence in steel remains unshaken, notwithstanding the breaks. We now have 16 engines provided with them, and all new engines ordered are having them put on. We are, also, having the fire-box plates of steel, which, I think, will effect a considerable saving. Fifty steel axles have been ordered to be placed under the passenger cars.

Our equipment has been increased by the addition of seven locomotives, one hundred coal cars, twenty flat cars, and two passenger cars. There has been ordered, to be delivered by the 1st of April, eight locomotives, five hundred coal cars, and four passenger cars. Still further additions will be necessary when our Eastern connections provide the facilities for the transportation and shipment of Coal.

The business of the year has been quite irregular, which has added



somewhat to the cost of transportation. During the month of May, but 34,827 tons of Coal passed over the road. In September 175,617 tons were sent to market. The aggregate tonnage of August, September and October was 505,150 tons, showing a capacity of 2,000,000 tons per annum, with our present equipment.

The iron works upon our line suffered in the general prostration of business that followed the closing of the war; the consequence was a falling off in the quantity of way coal, pig iron, ore and limestone transported. Nearly all the furnaces are in blast again, and are now realizing good profits on their product.

It is gratifying to report that while the Coal trade of 1865 shows a deficiency of over 500,000 tons, our road has increased its tonnage 106,858 tons.

This completes the tenth year of the operations of your road, and a comparison between this year's business and that of 1856, may give an idea of what may reasonably be expected at the close of 1875.

	COAL.	PASSENGERS.	FREIGHT.	TOTAL.
Receipts in 1865,	\$2,513,701 08	\$304,384 62	\$411,452 65	\$3,229,538 35
Do. 1856,	154,286 73	67,295 30	20,930 58	242,512 61

	COAL. TONS.	PIG IRON. TONS.	IRON ORE. TONS.	LIMESTONE. TONS.
Tonnage in 1865,	1,402,277	121,144	152,173	95,203
Do. 1856,	165,740	17,922	18,612	1,815

The high price and scarcity of labor has somewhat retarded the completion of the Lehigh and Mahanoy Railroad, but the work is now so far advanced as to render it certain that the connection with the Sunbury and Shamokin R. R., at Mount Carmel, will be made very early in the spring. The business derived from it, in its present unfinished condition, is an earnest of what may be expected when completed and fully equipped. The tonnage furnished to our road from that region, this year, was 218,378 tons, about 18,000 of which was delivered to the canal at Mauch Chunk. This will be largely increased next year, as new collieries are opening to ship via Lehigh Valley, and the Crane Iron Co. are about purchasing an interest in a mine, from which they anticipate supplying their works.

The work upon the Morris and Essex R. R., has been pushed forward with energy. The track was laid to the eastern end of our bridge, where a temporary connection has been made, and about 500 tons of coal shipped forward. The road is still incomplete, and we must not expect an outlet for a very large tonnage in the early part of the coming year; but, as the season advances, we may hope that the beneficial effects of this additional avenue to tide will be felt. This Company are providing a large number of coal cars and locomotives for the trade.

This year, the Morris Canal Co. have increased their shipments from Port Delaware very largely over any preceding year. They design making considerable additions to their pockets, this winter, thereby giving additional vent to our tonnage.

During the past Summer, the location was completed for the extension of our road into Wyoming Valley.

In October, the L. C. & Nav. Co. announced their determination to build from Penn Haven to White Haven. This made it necessary, in order to secure a portion of the Wilkesbarre trade, to put our line under contract. This has been done, and active operations commenced thereon. From White Haven to Solomon's Gap, (15 miles) was awarded to Sidney Dillon. From thence to Leuder's Gap, (8 miles) was awarded to Messrs. P. & T. Collins; and the balance, (4 miles) to Chas. McFadden. They are superior contractors, and will push with rapidity. The grading is to be completed early in the Spring of '67. Some six or eight miles of Road, to reach the various collieries now opening and to be opened in the Valley, should be put under contract next spring. This work is much lighter, and may be completed simultaneously with the main line. There is an immense body of undeveloped coal lands in the lower valley, the owners of which are anxiously looking to an outlet via the Lehigh Valley, and a heavy coal tonnage may be expected immediately upon the furnishing of transportation facilities.

The business men of northern New York are also looking to a connection with the cities of Philadelphia and New York, via the Lehigh Valley route; and, as I learn by a communication recently received from them, are moving toward the completion of a line of road from Little Sodus Bay, on Lake Ontario, through Auburn and Ithica, to the New York State line, where they expect it to connect with a road to be built down the North Branch of the Susquehanna to Wilkesbarre. It is said that the distance from the Lake to Wilkesbarre is but 200 miles; that the grades coming south will not exceed 30 feet to the mile, and going north 20 feet per mile. These grades are encountered but for a short distance—a very great portion of the route they will not exceed 10 feet per mile. The completion of this line, with so favorable grades, must add very largely to the business of your road.

My acknowledgments are due to the heads of the various departments, and to our employees generally, for the faithful discharge of the duties devolving upon them.

Very Respectfully, Yours,

ROBT. H. SAYRE,

*Sup't and Eng'r.*





